From: "John Huston" <JHuston@bankcsb.com> on 02/02/2004 01:20:18 PM
Subject: Regulation Z - Truth in Lending

I am the Compliance Officer for a $500 million bank serving the Des Moines, Iowa metro area. We have 9 offices with approximately 170 employees. I appreciate the opportunity to comment on the proposed rules more uniform standards for providing disclosures under five consumer protection regulations: B(Equal Credit Opportunity Act); E(Electronic Funds Transfer Act); M(Consumer Leasing); DD(Truth-In-Savings Act); and Z(Truth-In-Lending Act).

I can not support the entire premise of these proposals. I see no value in added burden to the banks and no benefit to the consumer. Why raise the cost to both groups for the pleasure of those on the outside. The banks already give adequate disclosures to the consumer on each of these regulations that meets the regulatory requirements and satisfies recipients needs. These changes will only enhance attorneys, forms vendors and Washington bureaucrats. As they say, "if its not broke, don't fix it!"

The Board believes that the recently implemented standard in the Regulation P (65 FR page 35162, June 1, 2000), articulates with greater precision than the other regulations the concepts underlying the duty to provide disclosures that consumers will notice and understand. For an example, the staff commentary to Regulation Z also would need to be revised to add comments consistent with Regulation P's examples of how to meet the clear and conspicuous standard. Please know in the real world, the consumers will not notice or find any value in the new changes as a result of this proposal. Why should the banking industry and their customers bare the burden for such minute adjustments in the disclosures for the five above mentioned regulations?

The statements from the proposal that, "generally, segregating federally mandated disclosures from other information is more likely to satisfy the clear and conspicuous standard". The only thing that is "clear" is the added burden and cost to community banks like ours. Also you state, "while the proposal would amend, for example, Regulation Z and the staff commentary, it is expected that these revisions would not increase the paperwork burdens to lenders". I do not know how the Board could even make such a statement. This shows the complete lack of understanding of how the system works. Think about the cost of writing the changes in regulations, then attorneys write their opinions as to the legal acceptability of the disclosures, paper companies supply the forms vendors with paper, ink etc. The forms are sold to financial institution's software vendors, who create a expanded system programs for their customers, the banks. The banks send their Compliance officers and others to seminars to learn the exact details of the new mandates, so distribution of said disclosures can be understood and explained. Following that loan and deposit operations departments send out the new disclosures on all five regulations. This event requires the bank's regulators to exam these disclosures for possible violations and CMPs. After all of this the Board still says there is no visible burden created with the enhanced regulatory mandates and is not a violation of the Paperwork Reduction Act of 1995?

To go back and revise and adjust the disclosure requirements would be another mindless burden on community banks like ours and all other financial institutions who are just trying to adjust to new changes to HMDA, Regulation B, BSA, "Can-Spam" the FACT Act and upcoming changes to RESPA. I have been in banking for many years and in Compliance for the last 16 years, the question we should all address is, "what good is all of these changes to the end user, i.e., the banks and the consumers? These proposals are of no value, and it is all about burden enhancement.

My suggestion to the Board is this: Hit the delete button on this proposal. Then go back and look for other regulatory mandates, for positive revisions you can make, by hitting the "delete button" on other burdens to our industry.

Sincerely,

John Huston